

CONGRATULATIONS ON DOUBLE
TENTH DAY

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1997

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise today to mark the October 10, 1997 celebration of the 36th anniversary of the founding of the Republic of China on Taiwan. October 10 was selected as the date for observing Taiwan's founding because on that date in 1911, troops and ordinary citizens of the Wuchang region of China revolted against their Manchu dynastic rulers to protest against the corruption and incompetence of their leadership. After centuries of imperial and dynastic rule, the October 10th rebellion affirmed the desire of the Chinese people to achieve self-determination. With the election of President Lee Teng-hui, the first democratically-elected head of state in China's history, we witnessed a partial realization of the aspirations of the Chinese people who revolted in 1911.

Under President Lee's leadership, Taiwan has expanded its presence within the international community and has become an important source of development assistance. As evidence by the levels of cultural exchanges and bilateral trade, relations between the United States and Taiwan have never been stronger. President Lee has selected Dr. Jason Hu, Taiwan's former representative in Washington, as his new Foreign Minister. During his time in Washington, Dr. Hu proved himself to be a hard-working, highly effective and selfless representative of the Taiwanese Government and people. I am confident that Dr. Hu will be equally successful and impressive in his new position of Foreign Minister.

In closing, Mr. Speaker, I extend my heartfelt congratulations to the people of Taiwan on the upcoming October 10, 1997 celebration of the anniversary of the founding of the Republic of China on Taiwan.

IN HONOR OF GREGORY R.
DEMALINE ON HIS ATTAINMENT
OF EAGLE SCOUT

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1997

Mr. KUCINICH. Mr. Speaker, I rise to honor Gregory Demaline of Parma, OH, who will be honored for his attainment of Eagle Scout.

The attainment of Eagle Scout is a high and rare honor requiring years of dedication to self-improvement, hard work, and the community. Each Eagle Scout must earn 21 merit badges, 12 of which are required, including badges in: lifesaving; first aid; citizenship in the community; citizenship in the Nation; citizenship in the world; personal management of time and money; family life; environmental science; and camping.

In addition to acquiring and proving proficiency in those and other skills, an Eagle Scout must hold leadership positions within the troop where he learns to earn the respect and hear the criticism of those he leads.

The Eagle Scout must live by the Scouting law, which holds that he must be: trustworthy,

loyal, brave, helpful, friendly, courteous, kind, obedient, cheerful, thrifty, clean, and reverent.

And the Eagle Scout must complete an Eagle project, which he must plan, finance, and evaluate on his own. It is no wonder that only 2 percent of all boys entering Scouting achieve this rank.

My fellow colleagues, let us recognize and praise Gregory for his achievement.

THOSE SURPLUSES: PROCEED
WITH CAUTION

HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1997

Mr. SPRATT. Mr. Speaker, 2 weeks ago, the Washington Post published an excellent article about the Federal budget by Dr. Robert Reischauer, former CBO director and now a fellow at the Brookings Institution. I would like to share this article with my colleagues. Many of our colleagues are proposing new ways to spend a putative budget surplus, either by cutting more taxes or raising spending. Dr. Reischauer warns Congress that this is a mistake. He reminds us that even though we have made extraordinary progress in reducing the deficit, the Government is still not in surplus and the budget is not projected to reach surplus until after the year 2000. We should certainly not be spending a surplus we don't have.

Even when we reach surplus, Dr. Reischauer points out, we will be relying on the balance in the Social Security trust fund to offset the deficit spending in the rest of the Federal budget. Finally, there is considerable merit in paying down the \$4 trillion debt the Federal Government owes the public, once we reach surplus. This will help prepare us for the deficits we will be facing once we start to pay the cost of the baby boomers' retirement.

Two months ago, Congress and the President enacted a bipartisan 5-year budget plan, which provided both for modest spending increases and tax cuts. Sticking to the budget agreement is the surest path to reaching a budget surplus. In any case, we should certainly not start spending surpluses we have not yet achieved.

[From the Washington Post, Sept. 21, 1997]

THOSE SURPLUSES: PROCEED WITH CAUTION

(By Robert D. Reischauer)

Had Rip van Winkle been around a few years ago, he would have been put to sleep reading the endless stream of apocalyptic budget reports which warned that the large deficit of the day would soon explode if politically impossible spending cuts or tax increases were not enacted immediately. Had he been roused a few weeks ago and told that the president had just signed the first significant tax cut since 1981 and that the latest budget projections were for modest but growing surpluses after 2001, he undoubtedly would have gone into immediate cardiac arrest.

The amazing budgetary turnaround of the past year and the prospect of future surpluses have also quickened pulses on Capitol Hill. Those who worship at the concrete altar already have drawn up plans to boost highway spending; those whose faith tells them that lower taxes can solve all of the nation's problems have begun crafting further tax reductions; and those whose worthy

social initiatives have been cruelly sacrificed to the gods of fiscal responsibility over the past decade are dusting off their proposals for expanded social investments.

Before the promised surpluses burn a hole in the congressional pocketbook, lawmakers should remember that these surpluses are not yet in hand and that there are benefits from sustaining rather than spending them. The projections of surpluses assume that Congress and the president will adhere to the balanced budget act's limits on discretionary spending. These limits, which provide half the deficit reduction needed to balance the budget in the year 2002, will require politically painful votes on appropriations in each of the next four years, votes that will reduce real discretionary spending 12 percent below current levels by 2002. The experience of the past few months should raise a bit of skepticism about the political system's ability to mete out such sacrifice. When faced with the \$544.8 billion discretionary spending cap that the 1993 budget agreement set for the coming fiscal year, Congress and the president balked and used the new agreement to add \$8.5 billion to the fiscal 1998 limits.

The projected surpluses could also evaporate if there are many slips in those portions of the balanced budget and tax relief acts that do not require further legislative action. Some of the promised Medicare savings, which account for over half of the spending reductions anticipated for the next five years, could fail to materialize if the Health Care Finance Administration has difficulty implementing the 226 complex provisions of the new law that generate these savings. The \$21.4 billion expected to be bid for rights to use portions of the electromagnetic spectrum for commercial purposes could turn out to be more pie-in-the-sky than money-in-the-bank. The revenue loss from the tax relief act could be larger than anticipated if individuals respond with more gusto than expected to its incentives or if wily tax accounts find unforeseen ways to mine the provisions of the new law.

The considerable uncertainty that surrounds estimates of both how much the program cuts will save and how much tax reductions will cost if cuts and reductions are implemented as planned is a further reason for caution. The Office of Management and Budget's estimate of the net reduction in Medicare spending over the next five years is 34 percent larger than the Congressional Budget Office's, while Congress's Joint Tax Committee calculates that the child tax credit will cost 19 percent more than Treasury estimates.

While the economics assumptions upon which the new budget projections are based appear to be quite prudent, an average-sized recession could easily add \$100 billion to the deficit for a year or two and delay the attainment of a balanced budget until well after 2002.

These warnings may represent excessive caution; modest surpluses could well materialize early in the 21st century. But if they do, there are good reasons to squirrel them away—that is, to pay down the federal debt—rather than spend them on program expansions or further tax cuts. Even in 2002, when the budget is first projected to be in surplus, taxpayers won't come close to footing the full bill for what the federal government provides them. The overall budget surplus of \$32 billion that CBO projects for 2002 will be made up of a \$120 billion surplus in the Social Security program offset by a whopping \$88 billion deficit in all of the government's other accounts. It is well recognized that Social Security is incurring future liabilities that far exceed its modest surpluses and that without major reform it will be insolvent before the last of the baby boomers has retired.